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California State Board of Equalization Specialists Verify Business Permits

Businesses in Specific Zip Codes Notified of Upcoming Visits

The California State Board of Equalization (BOE) today announced that letters were sent to more than 20,600 retail businesses in 22 different zip codes statewide, notifying them of upcoming visits by BOE specialists. Businesses receiving letters this month are located in: Whittier (90603), Granada Hills (91344), Encino (91316), Diamond Bar (91765), Lakeside (92040), Santee (92071), Riverside (92506), Perris (92571), Menifee (92584), Costa Mesa (92626), Paso Robles (93446), Salinas (93901), Mendocino (95460), Oakland (94607), Modesto (95354, 95355, 95356, 95357 and 95358), Carmichael (95608), Citrus Heights (95621) and Elk Grove (95624).

These visits are part of the Statewide Compliance and Outreach Program (SCOP) that was launched in September 2008. The BOE specialists have visited more than 270,000 businesses statewide, with 384 zip codes receiving notifications.

The goal of the SCOP program is to provide outreach, educate business owners on their sales and use tax reporting responsibilities, and increase tax compliance to help make our tax system fair. One of the main functions of the program is to verify that all businesses are properly registered so there are no noncompliant businesses with an unfair advantage over those businesses that are properly registered and reporting their taxes and/or fees. The SCOP program has found that about 2 percent of businesses operating in California do so without the appropriate permits or licenses that allow for collection of sales and use tax, as well as other taxes and fees. Non-compliance is a part of the more than \$2 billion sales and use tax gap — the difference between the amount of taxes owed and the amount of taxes paid.

The BOE specialists conduct checks for seller's permits of all storefronts and other known business locations. When the specialists visit, business owners are asked business-related questions but are not asked for personal financial information. If an owner has specific questions about the inquiries from the BOE specialists, they should call their local SCOP Team (SCOP contact information). For general information, contact the Taxpayer Information Call Center at 800-400-7115.

There are seven teams of approximately eight people each, located throughout the state, that conduct door-to-door visits based on zip code. Registered retailers, as well as service industry businesses, will be checked for appropriate permits and licenses. Those businesses found to be out of compliance will be given instructions on how to register with the BOE and given information about other necessary licenses.

The five-member California State Board of Equalization is a publicly elected tax board. The BOE collects more than \$50 billion annually in taxes and fees supporting state and local government services. It hears business tax appeals, acts as the appellate body for franchise and personal income tax appeals, and serves a significant role in the assessment and administration of property taxes. For more information on other taxes and fees in California, visit www.taxes.ca.gov.

For more information on the Statewide Compliance and Outreach Program (SCOP), visit www.boe.ca.gov/sutax/SCOP_Overview.htm.

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